

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

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June 19, 1997

VIA FEDERAL EXPRESS

Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W. , Room 222  
Washington, D.C. 20554

Re: CC Docket No. 92-237

Dear Mr. Caton:

Enclosed you will find an original and four copies of COMMENTS OF THE PEOPLE OF THE STATE OF CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA ON THE NORTH AMERICAN NUMBERING COUNCIL RECOMMENDATION.

Also enclosed is one additional copy to be conformed and returned to me in the enclosed self-addressed envelope.

Thank you for your attention to this matter. If you have any questions, please call me at (415) 703-1952

Sincerely,

A handwritten signature in cursive script that reads "Mary Mack Adu".

Mary Mack Adu  
Attorney for the People of the  
State of California and the Public  
Utilities Commission of the State  
of California

MMA:dd

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**ORIGINAL**

**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D. C. 20554**

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In the Matter of )  
)  
The North American Numbering Council )  
(NANC) Recommendation Regarding )  
the Administrator, Billing and )  
Collection Agent, and Related Rules )  
\_\_\_\_\_ )

CC Docket No. 92-237

**COMMENTS OF THE PEOPLE OF THE STATE OF  
CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA ON THE NORTH AMERICAN  
NUMBERING COUNCIL RECOMMENDATION**

PETER ARTH, JR.  
LIONEL B. WILSON  
MARY MACK ADU

505 Van Ness Ave.  
San Francisco, CA 94102  
Phone: (415) 703-1952  
Fax: (415) 703-4432

Dated: June 19, 1997

Attorneys for the Public Utilities  
Commission of the State of California

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**I. INTRODUCTION**

The People of the State of California and the Public Utilities Commission of the State of California ("California" or "CPUC") hereby respectfully submit these comments to the Federal Communications Commission ("Commission" or "FCC") on the North American Numbering Council's (NANC) recommendation on the selection of the North American Numbering Plan Administrator (NANPA) and the Billing and Collection Agent. By a vote of thirteen to eleven, the NANC has recommended Lockheed as the preferred choice to serve as the new administrator. The CPUC will limit its comments on the NANC's recommendation for the NANPA to the following areas: 1) Lockheed Management Information Systems' proposed staff level; 2) Lockheed's organization of NANPA offices; 3) intellectual property

and associated resources; and 4) cost issues. The CPUC does not offer comments at this time on the NANC's Billing and Collection Agent recommendation.

## **II. DISCUSSION**

### **A. The Proposed Staff Levels are Inadequate.**

The CPUC is concerned with the ability of Lockheed to perform the NPA and Central Office (CO) code administration functions in an efficient and effective manner with such a small number of staff members. The NANC working group (also known as the NANP working group evaluation team) noted that the Lockheed staff lacks number assignment and administration experience, and the proposal appears to rely extensively on mechanized systems and processes in lieu of personnel. Consequently, the working group was concerned that Lockheed may lack the number of staff necessary to deal with numbering issues requiring human intervention and judgment.

Demand for telecommunications services is growing in California. This growth is one of the reasons the CPUC shares the concerns expressed by NANC's working group in regard to size and expertise of staff described in the Lockheed proposal. Should the Lockheed proposal's suggested use of a small staff result in delays in numbering administration, the NANPA could impede the development of competition in the California telecommunications industry and lead to costly delays in the implementation of badly needed new area codes. The timely

assignment of NPAs and NXX codes is crucial in California where customer demand is increasing the need to implement new area codes, and new entrants to the local exchange market are seeking NXX code assignments more frequently than in the past. A small staff dividing its time between different regional interests could compromise the prompt implementation of area code relief in California.

The CPUC is also concerned that NANC did not accord proper weight to the NPA/NXX exhaustion situation in California. This state exhausts NPAs and NXXs faster than any other jurisdiction participating in the North American Numbering Plan (NANP). We therefore strongly disagree with the NANC's comment which states "Mitretek's proposal may have been influenced by industry experience in California and, based upon this experience, their proposal may have overestimated the required resources." <sup>1</sup>

The CPUC believes that the California experience is a critical factor in evaluating what the remaining portion of the NANP area might expect concerning NPA and NXX exhaust. California is a high-tech, high number-resource-usage area. Californians are introducing and using new technologies which rely on access to the public telephone network and the numbering resources necessary to facilitate that access. California has been, and continues to be, one of the fastest growing markets for intraLATA toll and local exchange services. Incoming competitors require dedication of significant numbering resources in order to

participate in the competitive marketplace. California is also experiencing tremendous growth in the installation and usage of automatic teller machines (ATMs) and point-of-sale terminals (POS), each of which requires a separate line and telephone number.

An adequate NANPA staff is crucial when NPA's and NXX's are exhausting more quickly than contemplated. Given the increasing level of competition and demand for telecommunications services in California, the CPUC is concerned with the projected staff numbers in the Lockheed proposal.

**B. Regional Offices Should Be Considered.**

**1. Adequacy of Communication and Availability**

The Lockheed proposal would centralize all national number relief and administration tasks at a single office on the East Coast. This centralization could result in poorer service and response to jurisdictions that are not in the eastern standard time zone. The Lockheed proposal to centralize staff in Tarrytown, New York raises concerns about its ability to obtain a sufficient number of personnel to perform the NPA relief and CO code functions. A proposal that does not assign staff to geographic regions may lead to a lack of local expertise in those regions.

Our need for regional expertise is great, given the high demand for numbering resources. This year alone, there will be fifty planning, public, and

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<sup>1</sup> Section 3.2, Miscellaneous Comments in NANC Recommendation.

local jurisdiction meetings throughout California related to NPA and NXX code usage and new NPA implementation. A lottery is held monthly to ration NXX codes in NPAs throughout California. In May alone, sixty-nine NXX code blocks were assigned to twenty telecommunications companies through that lottery. We anticipate that demand for numbering resources will continue to grow. We believe that it is untenable for an outfit at the opposite corner of the country to properly respond and adapt to the needs of California, and to coordinate as necessary with the CPUC.

## **2. Travel Expense Concerns**

In addition to the impaired communication and loss of direct access to the national numbering administrator that could result from a centralized administration on the East Coast, the CPUC also has concerns about the implications for out-of-state travel expenses. Most states have limited out-of-state travel budgets, and California is no different. The centralized proposal submitted by Lockheed could impair the ability of the staff of this and other western state commissions to participate in number-exhaustion-relief-planning activities if they are solely held at the proposed headquarters in Tarrytown, New York.

With the high level of activity in California, the CPUC is concerned that the single office proposed by Lockheed would effectively preclude CPUC participation in NPA relief planning. If it is the NANPA staff who are required to



travel to various states to discuss relief planning, the Lockheed proposal may have underestimated travel expense.

### **3. Effect of Potential Changes in the I.N.C. Guidelines**

We are also concerned with the industry consensus guidelines for central-office-code administration and NPA relief planning. These guidelines are contained in two documents issued by the Industry Numbering Committee (INC) under the auspices of the Industry Carriers Compatibility Forum (ICCF). The guidelines contain requirements for coordination between the various individual Code Administrators and the National Administrator, and specifically states that NPA relief planning meetings should be held within the area served by the exhausting NPA.

While these guidelines are not mandatory, the industry generally adheres to them. The ICCF is discussing proposals to make the guidelines mandatory. The single office proposed by Lockheed becomes difficult to manage when staff is expected to attend relief meetings in exhausting NPAs around the country. This would reduce the number of staff available to respond to inquiries and perform the necessary administrative tasks.

### **C. The Transfer of Intellectual Property and Associated Resources**

The intellectual property issue is a concern since Lockheed apparently does not agree to hand over all intellectual property and resources developed for NANPA activities, nor does it agree to transfer such property without cost. Lockheed will only agree to transfer “certain” intellectual property, at an undetermined cost which could prove to be expensive.<sup>2</sup>

NANC’s working group noted that Lockheed’s price does not include the intellectual property rights for the systems and software it will use to perform the NANPA functions. If Lockheed is chosen as the NANPA and its contract is not renewed after the five-year term has expired, there is uncertainty over how national numbering-administration resources will be transferred from the former NANPA to the new Administrator.

### **D. Cost Issues**

The primary reason stated for choosing the Lockheed proposal over the Mitretek proposal was cost. The price of the Lockheed proposal seems low at first blush, but it does not include the previously mentioned travel-related expenses and intellectual property rights, or additional cost for staffing that may be necessary if the volume of NANPA activities exceeds expectations.

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<sup>2</sup> There is uncertainty about the cost since Lockheed’s proposal does *not* include an estimate for the cost of  
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A provision in the proposed contract for NANPA operations allows the administrator to ask for additional money if the workload is more than 120 percent of what was projected by the NANC. California is projecting ten area code splits in the next twelve months, which is double the amount that was projected a year ago. The CPUC is concerned that other states may see similar increases in area code splits, as the technologies that are spurring economic growth in California reach other highly-populated cities and states nationwide. Since this growth is already occurring, it is likely that the NPA and NXX code assignments will exceed 120 percent of the NANC workload projections over the five-year life of the contract.

In sum, the Lockheed proposal appears to have a low overall price initially, however, the cost per person is higher than any of the proposals submitted for consideration. If the NANPA workload does increase by more than 120 percent, the total cost of the Lockheed proposal will increase substantially. We believe the NANC recommendation did not give proper weight to this inevitable cost overrun.

### **III. CONCLUSION**

The CPUC recommends that the NANC consider the critical and unique needs of California when finalizing the contract of the North American numbering Plan Administrator. These needs include the high demand for telecommunications

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transferring information to its successor.

services in California, the extreme NPA/NXX exhaust relief situation faced in this state, and access and communication needs of California staff resolving NPA and NXX issues.

Respectfully submitted,

PETER ARTH, JR.  
LIONEL B. WILSON  
MARY MACK ADU

By: Mary Mack Adu  
Mary Mack Adu


505 Van Ness Ave.  
San Francisco, CA 94102  
Phone: (415) 703-1952  
Fax: (415) 703-4432

Dated: June 19, 1997

Attorneys for the Public Utilities  
Commission of the State of California

## **CERTIFICATE OF SERVICE**

I, Mary Mack Adu, hereby certify that on this 19th day of June 1997, a true and correct copy of the foregoing in COMMENTS OF THE PEOPLE OF THE STATE OF CALIFORNIA AND THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA ON THE NORTH AMERICAN NUMBERING COUNCIL RECOMMENDATION, in FCC Docket No. CC 92-237, was mailed first class, postage prepaid to all known parties of record.

  
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Mary Mack Adu